

CONSOLIDATED STATEMENTS OF CASH FLOWS

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

years ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Operating Activities:			
Income (loss) before income taxes and minority interests	¥1,239	¥(2,010)	\$10,308
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	2,116	2,289	17,604
Allowance for doubtful receivables	(362)	(20)	(3,012)
Employees' retirement benefit, less payments	669	(188)	5,566
Devaluation of marketable securities	25	57	208
Loss (gain) on sales and disposal of property, plant and equipment	(524)	599	(4,359)
Gain on sales of offset rotary presses business	—	(1,500)	—
Changes in operating assets and liabilities:			
Notes and accounts receivables, trade	2,881	14,654	23,968
Inventories	(254)	596	(2,113)
Notes and accounts payables, trade	3,145	(10,771)	26,165
Advances received	(484)	(161)	(4,027)
Accrued expenses	431	(1,399)	3,586
Income taxes paid	(192)	(563)	(1,597)
Others	888	(287)	7,387
Net cash provided by operating activities	9,578	1,296	79,684
Investing Activities:			
Purchase of property, plant and equipment	(1,157)	(2,142)	(9,626)
Sale of property, plant and equipment	1,008	334	8,386
Payment of long-term loan receivables	(9)	(18)	(75)
Repayment of long-term loan receivables	108	155	899
Investments to a subsidiary	(470)	—	(3,910)
Gain on sales of offset rotary presses business	—	1,500	—
Others	(748)	(61)	(6,223)
Net cash used in investing activities	(1,268)	(232)	(10,549)
Financing Activities:			
Decrease in short-term bank loans	(1,901)	(7,617)	(15,815)
Proceeds from long-term debt	50	800	416
Repayment of long-term debt	(3,800)	(3,374)	(31,614)
Bond redemption	(2,000)	—	(16,639)
Net cash used in financing activities	(7,651)	(10,191)	(63,652)
Effect of exchange rate changes on cash and cash equivalents	(175)	144	(1,456)
Net cash increased (decreased) in cash and Cash equivalents	484	(8,983)	4,027
Cash and cash equivalent at the beginning of year	31,611	40,594	262,987
Increase in consolidated subsidiaries	365	—	3,036
Cash and cash equivalents at end of year (Note 13)	¥32,460	¥31,611	\$270,050

See accompanying notes to financial statements.